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CLIENT/MATTER NUMBER 085437-3080

November 7, 2007

Barbara J. Chisholm Altshuler, Berzon LLP 177 Post Street, Suite 300 San Francisco, CA 94108

Re: Stanford Hospital & Clinics/Lucile Packard Children's

Hospital and SEIU, Local 715 (Victor Acosta)

F.M.C.S. Case No.: 070420-55892-A

Dear Ms. Chisholm:

This is to advise you that in connection with the arbitration of the grievance of Victor Acosta, scheduled for November 28, 2007, Stanford Hospital & Clinics and Lucile Packard Children's Hospital are invoking and insisting upon compliance with the provisions of Section 26.7.8 of Article 27, Grievance And Arbitration Procedure, which provide that:

Arbitration hearings conducted pursuant to this Article will be closed unless the parties mutually agree otherwise in advance and in writing.

The Hospitals do not agree to waive this provision. Therefore, the only persons entitled to be present in the hearing will be Victor Acosta, counsel for the parties, representatives employed by the parties, and witnesses during the time they are testifying.

As you know from prior correspondence, the Hospitals long ago expressly rejected in writing a purported service agreement between SEIU Local 715 and SEIU-UHW, pursuant to which SEIU-UHW was to provide representation for the bargaining unit on behalf of SEIU, Local 715. Neither Local 715 nor UHW took any action upon such rejection to enforce that agreement, as specifically called for and required under the purported service agreement. Of course, the legitimacy and enforceability of a service agreement entered into by and between Local 715 and another union is not a matter that is arbitrable under the collective bargaining agreement, as the collective bargaining agreement provides that the Hospitals recognize SEIU, Local 715 as the "sole and exclusive representative," and contains no reference to SEIU-UHW or to service agreements with other unions. Rather, the question of whether SEIU, Local 715 may properly designate another



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union to act on its behalf in a manner that obligates the Hospitals to deal with such representatives is one to be decided by the National Labor Relations Board.

Despite the prior rejection of the service agreement, the trustee purportedly appointed to take over SEIU, Local 715 informed the Hospitals, by letter dated June 14, 2007, that he considered the rejected service agreement to "remain in full force and effect in every respect, without any change whatsoever." Since that rejected agreement provided that SEIU-UHW would provide professional services in connection with the grievance procedure and at arbitration hearings, at no charge to SEIU, Local 715, the Hospitals can only take the trustee's letter to mean that any services that might be rendered by Weinberg, Roger & Rosenfeld, who are counsel to SEIU-UHW, would be rendered pursuant to the rejected service agreement. This is particularly so in view of SEIU, Local 715's refusal to respond to the Hospitals' request that SEIU, Local 715 inform them of the nature of Weinberg, Rogers & Rosenfeld's representation (i.e., as counsel retained by SEIU, Local 715 directly, or as counsel to UHW, providing services on its behalf pursuant to the rejected service agreement).

Accordingly, while the Hospitals are prepared to proceed to arbitrate the grievance, they will not proceed with any hearing at which a representative of UHW appears. This includes counsel from Weinberg, Roger & Rosenfeld, unless you or the trustee first represent to the Hospitals in writing that the firm of Weinberg, Roger & Rosenfeld is retained directly by SEIU, Local 715, and that it is not appearing in any manner pursuant to the rejected service agreement.

Sincerely,

Laurence R. Arnold

LRA:sey

cc: Laurie Quintel
Thomas Angelo



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